



Where Success Knows No Limits



## I



### LATEST ECONOMIC STATUS OF KOREA

## II



### KOREA'S INVESTMENT ATTRACTIVENESS

- STABILITY
- MARKETABILITY
- INNOVATION

## III



### THE FOURTH INDUSTRIAL REVOLUTION, KOREAN BUSINESS COOPERATION OPPORTUNITY

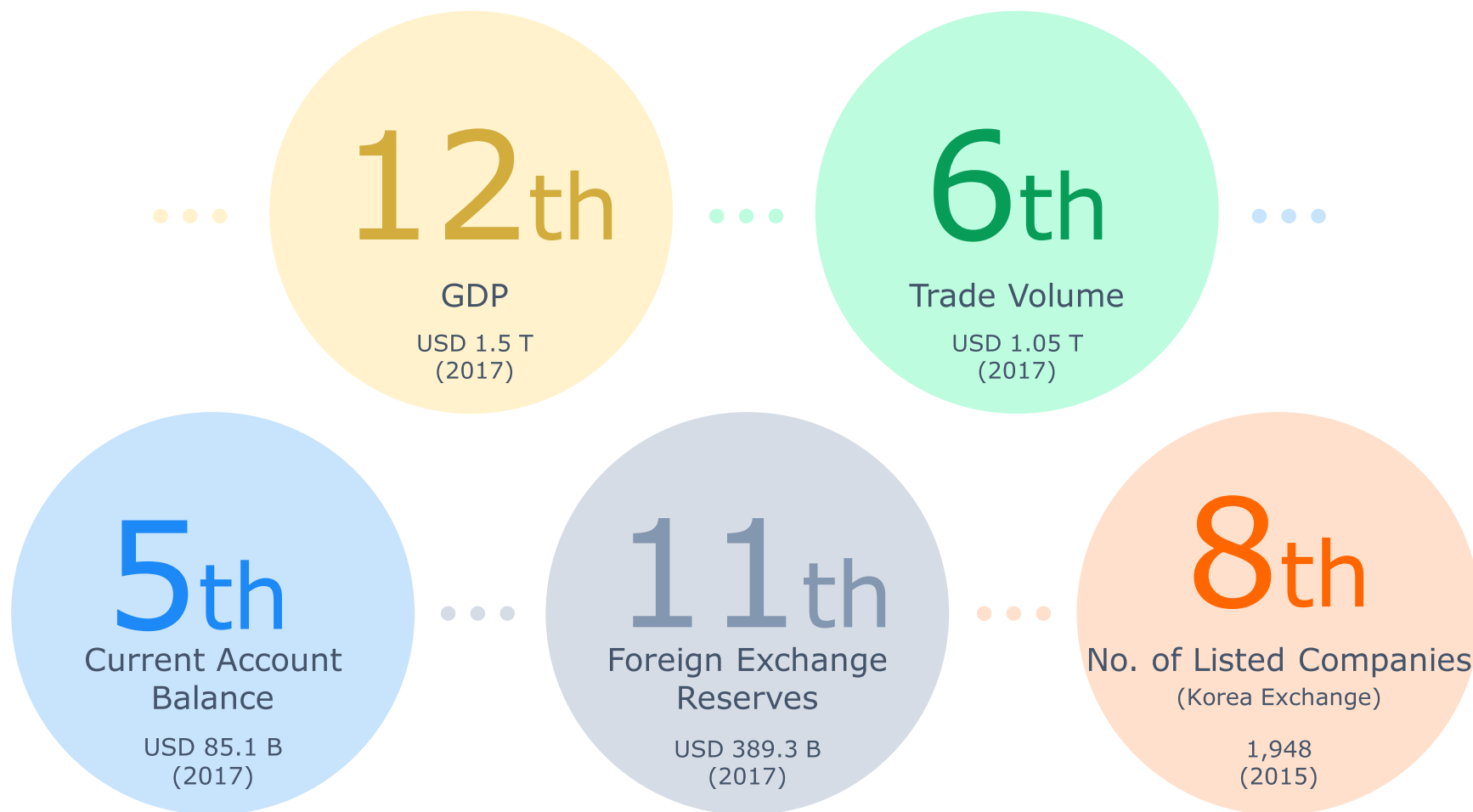


A photograph of a traditional Korean street scene. In the foreground, there are traditional Korean houses (hanok) with tiled roofs and walls. The walls are decorated with red and white geometric patterns. A red door is visible on the left. In the background, a modern city skyline is visible, including the N Seoul Tower. The sky is a mix of blue and orange, suggesting sunset or sunrise. A dark blue semi-transparent box is overlaid on the right side of the image, containing the title text.

# LATEST ECONOMIC STATUS OF KOREA

I

# Key Economic Indicators



\*Source: IMF, WB, WFE, BOK, Korea Exchange



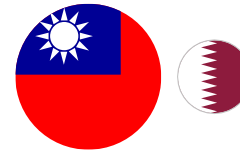
# Stable Credit Rating

AA  
(Aa2)

AA-  
(Aa3)

A+  
(A1)

MOODY'S

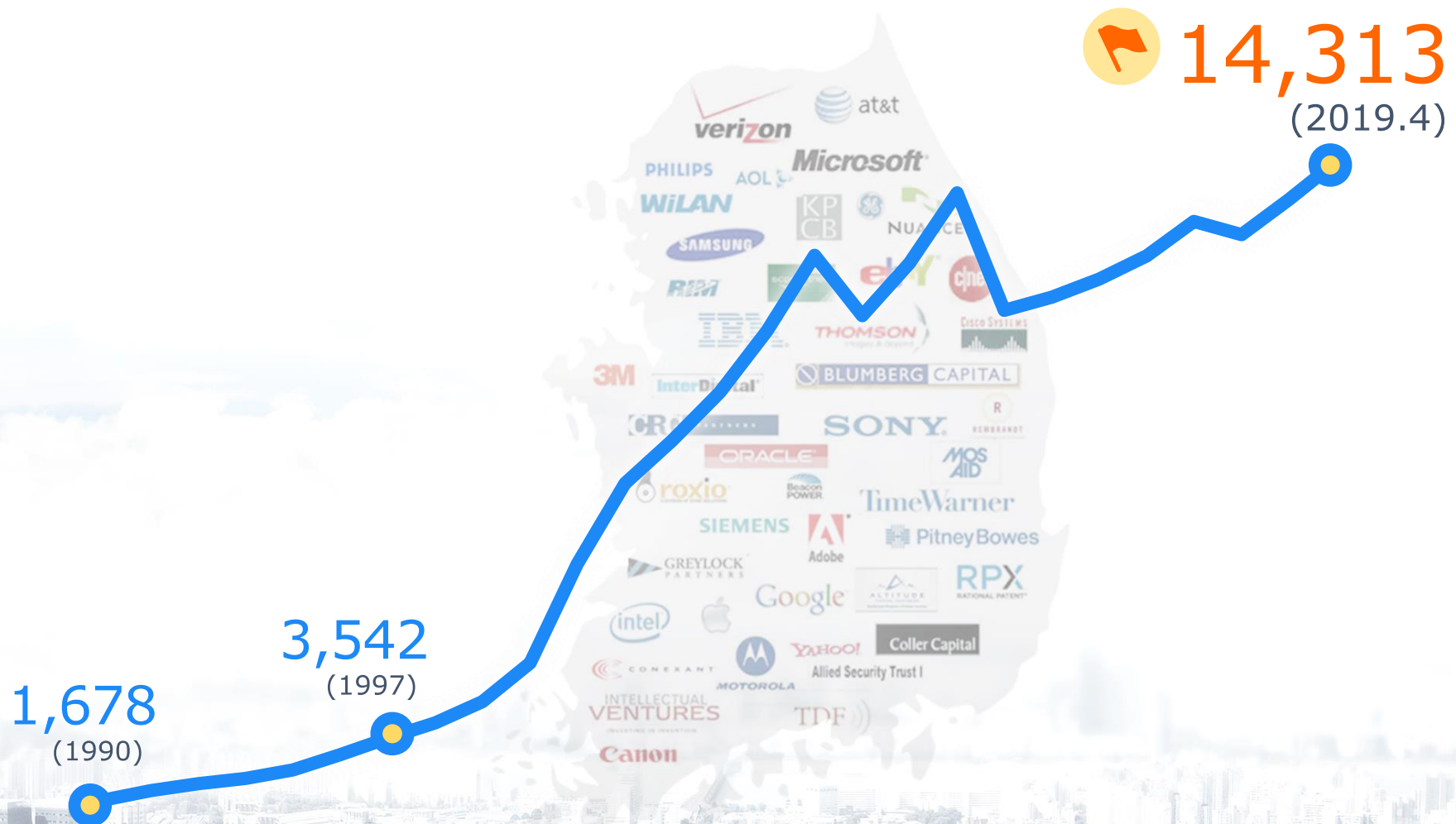


Fitch



\*Source: Moody's, S&P, Fitch(As of April 19, 2017)

# Foreign-Invested Companies in Korea



\* Source: Ministry of Trade, Industry and Energy (2019)





# KOREA'S INVESTMENT ATTRACTIVENESS

II



01

# STABILITY



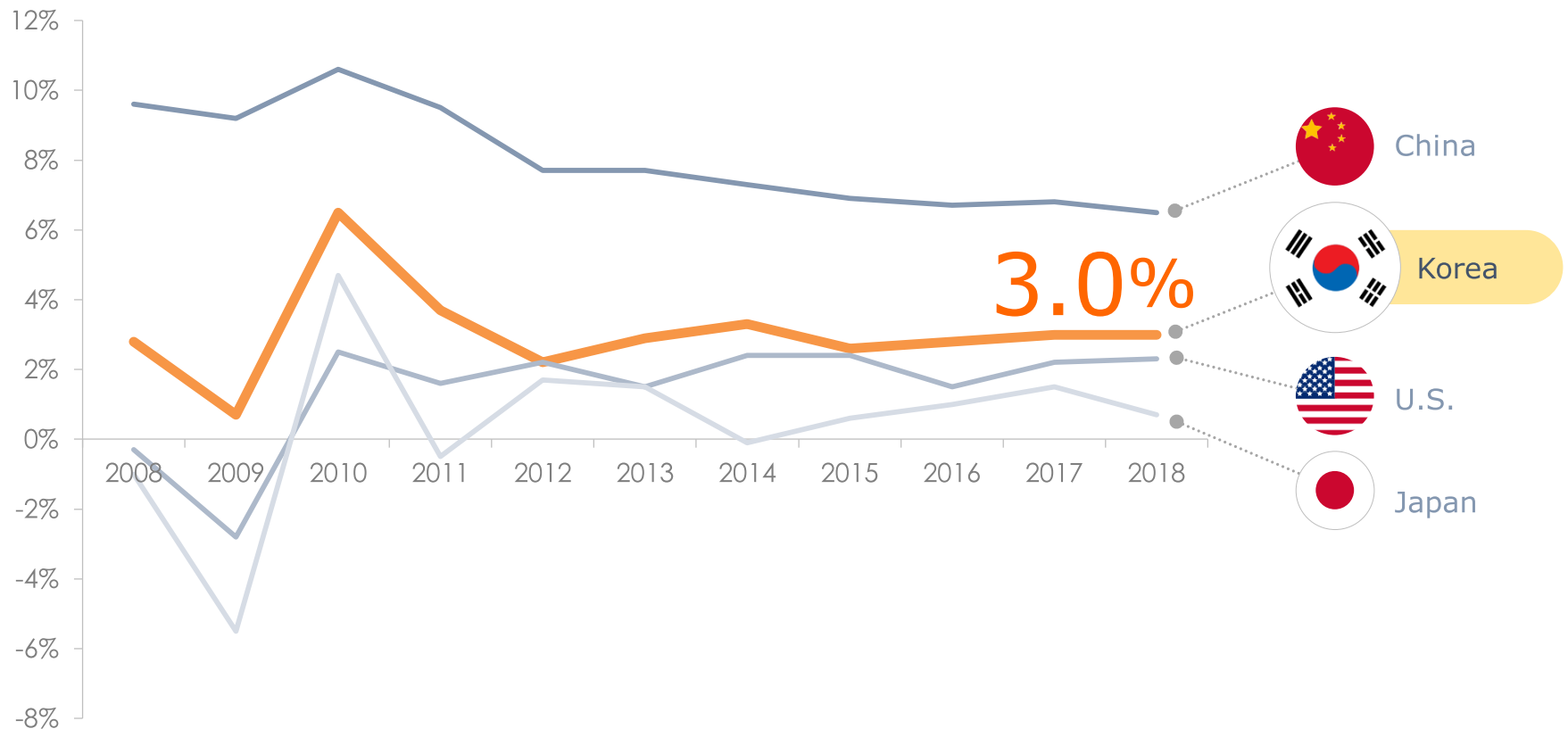


# Stock Market Stability



# Steady Economic Growth

## GDP Growth Rate ('08~'18)



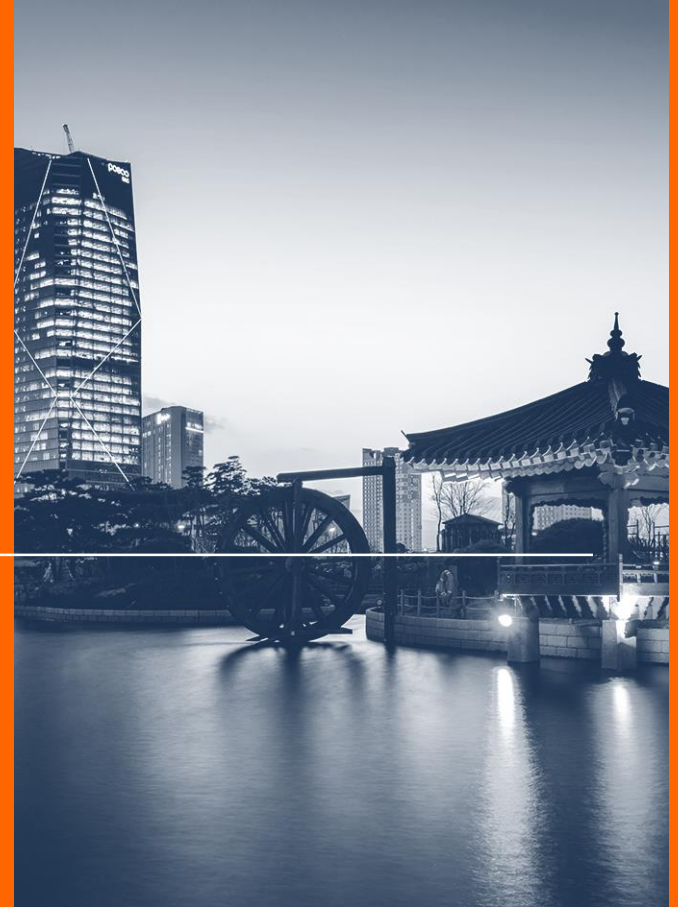
\*Source: World Economic Outlook 2017, IMF, 2017



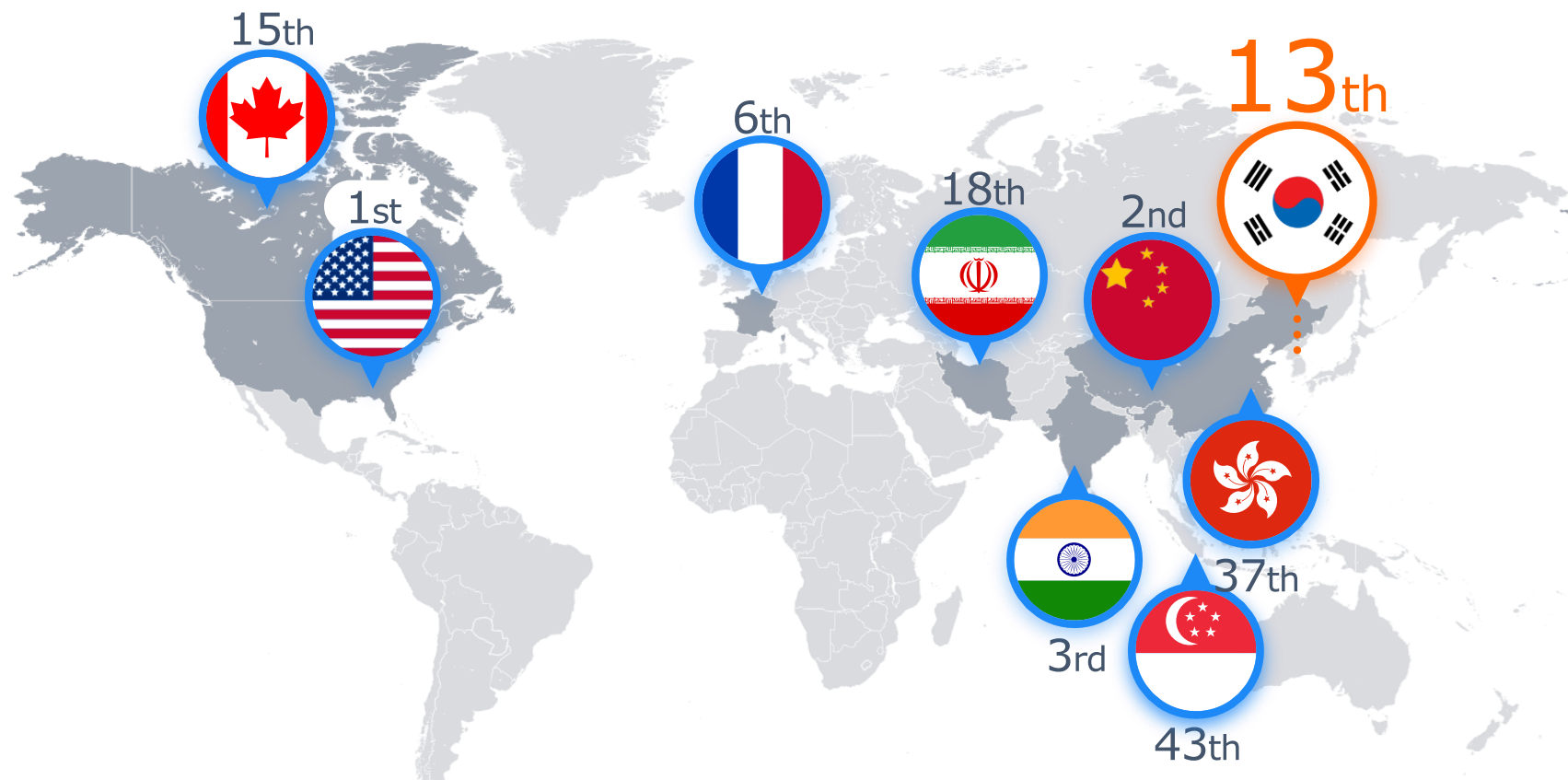


02

# MARKETABILITY



# Domestic Market Size



\* gross domestic product + imports of goods and services - exports of goods and services

\*Source : World Economic Forum(2015), <The Global Competitiveness Report 2016-2017>



# Powerful Market

1<sup>st</sup>



Ramen Consumption  
(per person)

\* Source: Bloomberg, Euromonitor

1<sup>st</sup>



Men's Toiletries  
(per person)

\* Source: Euromonitor International

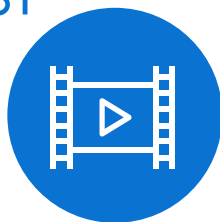
5<sup>th</sup>



Steel Consumption

\* Source: Worldsteel in Figures 2015

1<sup>st</sup>



Movie watching frequency  
(per person)

\* Source: Screen Digest, Korean Film Council, CGV

1<sup>st</sup>



Number of Starbucks stores

\* Source: Quartz(2014)

5<sup>th</sup>



Frequency of plastic surgery

\* Source: The Economist, Dailymail

# Powerful Market

**No.1** **Korean Branches**  
with No.1 Global Sales



*Kiehl's*  
SINCE 1851

shu uemura  
art of hair

**BIOtherm**  
**HOMME**



**BENTLEY**

**Toys R Us**

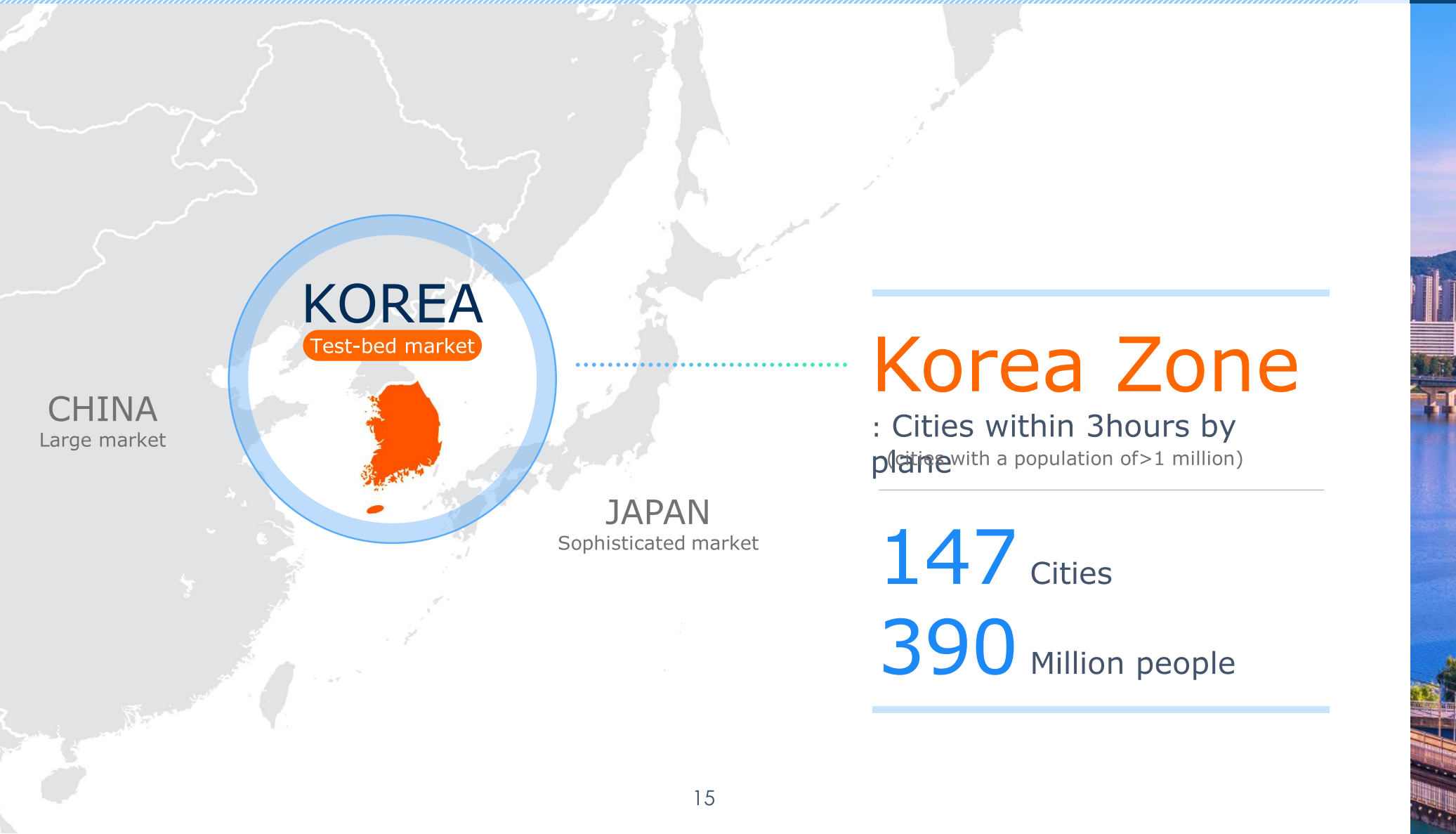
**benefit**  
SAN FRANCISCO

**COSTCO**  
**WHOLESALE**

**LAB SERIES**  
**SKINCARE FOR MEN**

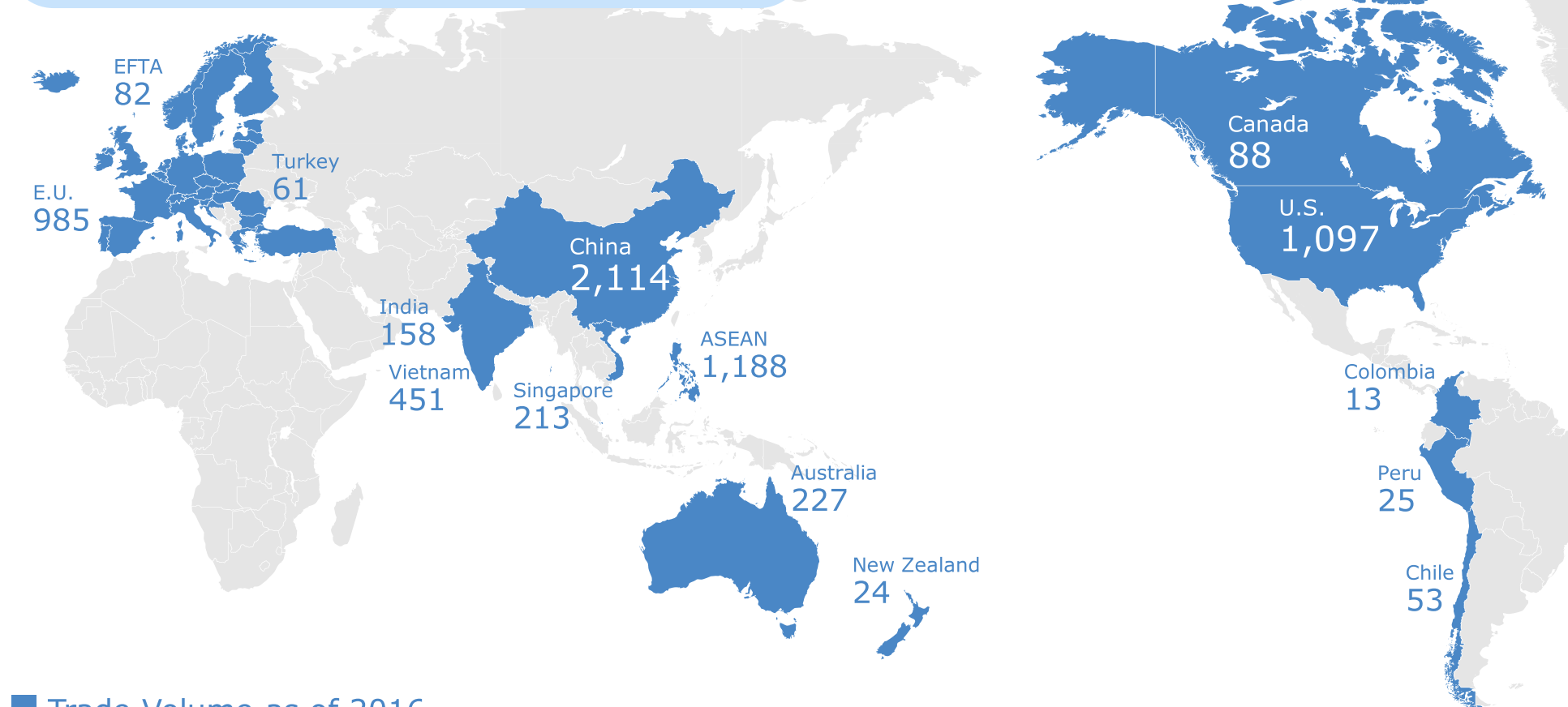


# Strategic Location in Northeast Asia



# FTA with 52 countries

World's 3<sup>rd</sup> Largest FTA Territory ('16)



■ Trade Volume as of 2016  
(USD 100 Million)

\*Source: Ministry of Trade, Industry & Energy, Korea International Trade Association



03

# INNOVATION





# Most Innovative in the World

Bloomberg Innovative Index (`17)



1<sup>st</sup> R&D  
Intensity



2<sup>nd</sup> Tertiary  
Efficiency



1<sup>st</sup> Value-Added  
Manufacturing

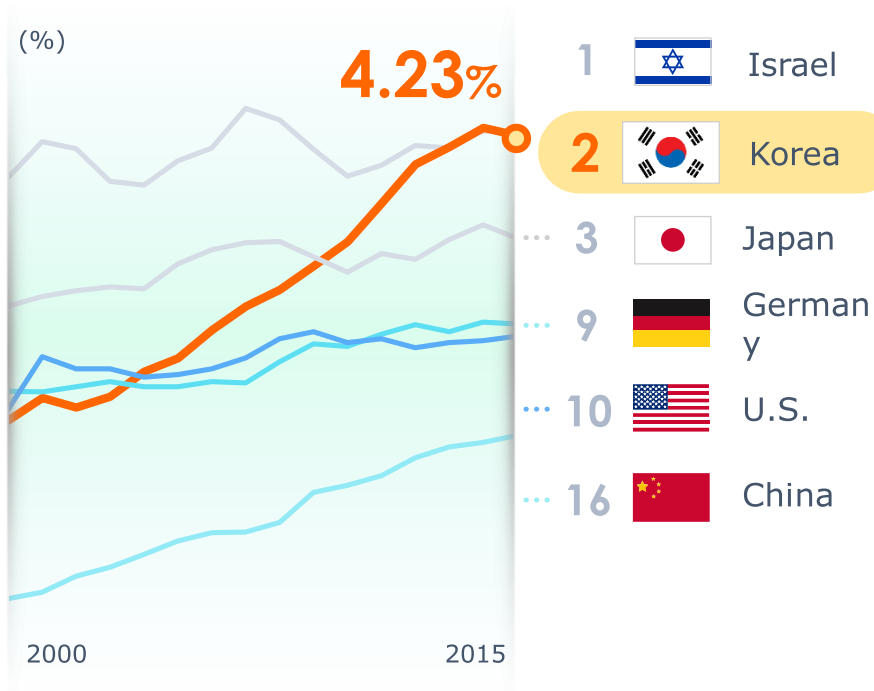


1<sup>st</sup> Patent  
Activity

\*Source: Bloomberg(January 2017)

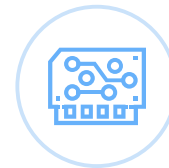
# R&D Intensity

## Total Expenditure on R&D/GDP



\*Source: OECD(February 2017)  
"Main Science and Technology Indicators, 2016 Issue 2"

## Top 3 Industries for R&D



Electricity & Electronics

25.3%



ICT

17.2%



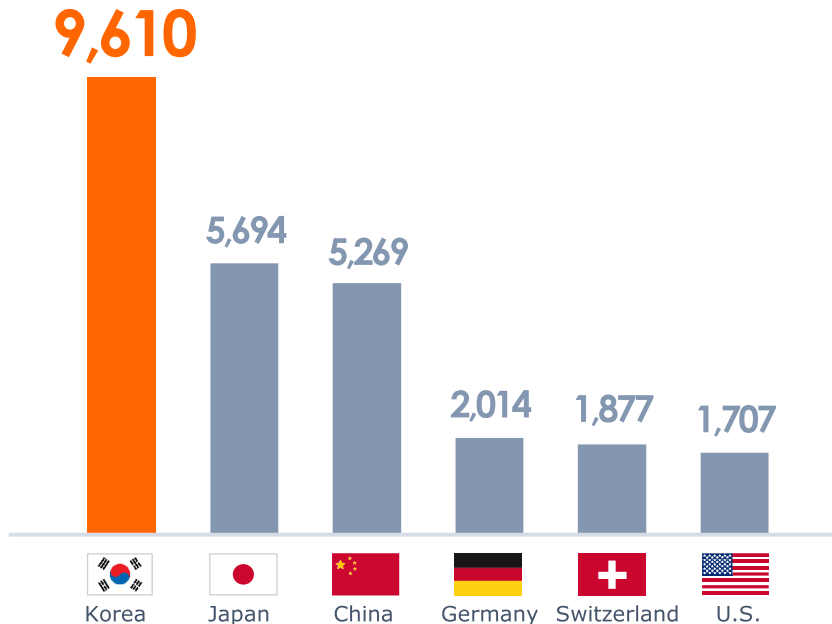
Machinery

18%

\*Source: Ministry of Science, ICT and Future Planning(January 2017)  
"2015 R&D Status Report"

# Patent Activity

## Resident Patent Applications per 100B USD GDP ('15)



\*Source: WIPO(December 2016) "World Intellectual property indicators 2016"

## Korea's Top 3 R&D Industries ('16)



Digital  
communication

**14.4%**



Electrical  
machinery,  
apparatus, energy

**7.6%**



Computer technology

**8%**

\*Source: WIPO(March 2017) "WIPO Statistics Database"

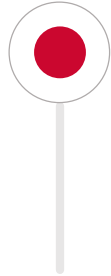


# Patent Pendency Period



## 1st

9.4Months



## 2nd

9.5Months



## 3rd

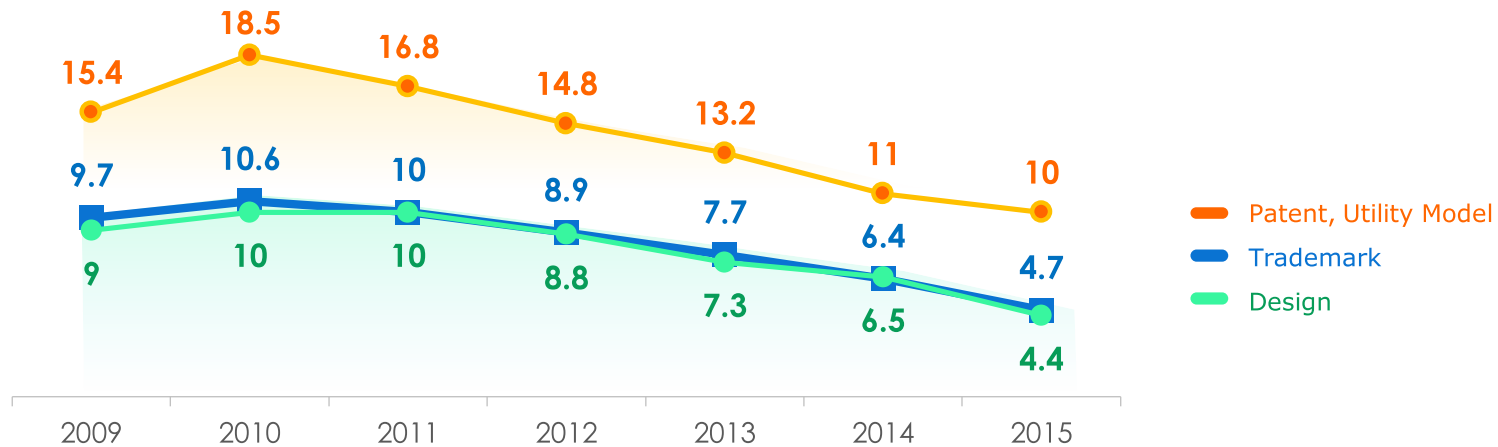
10Months



## 4th

16.4Months

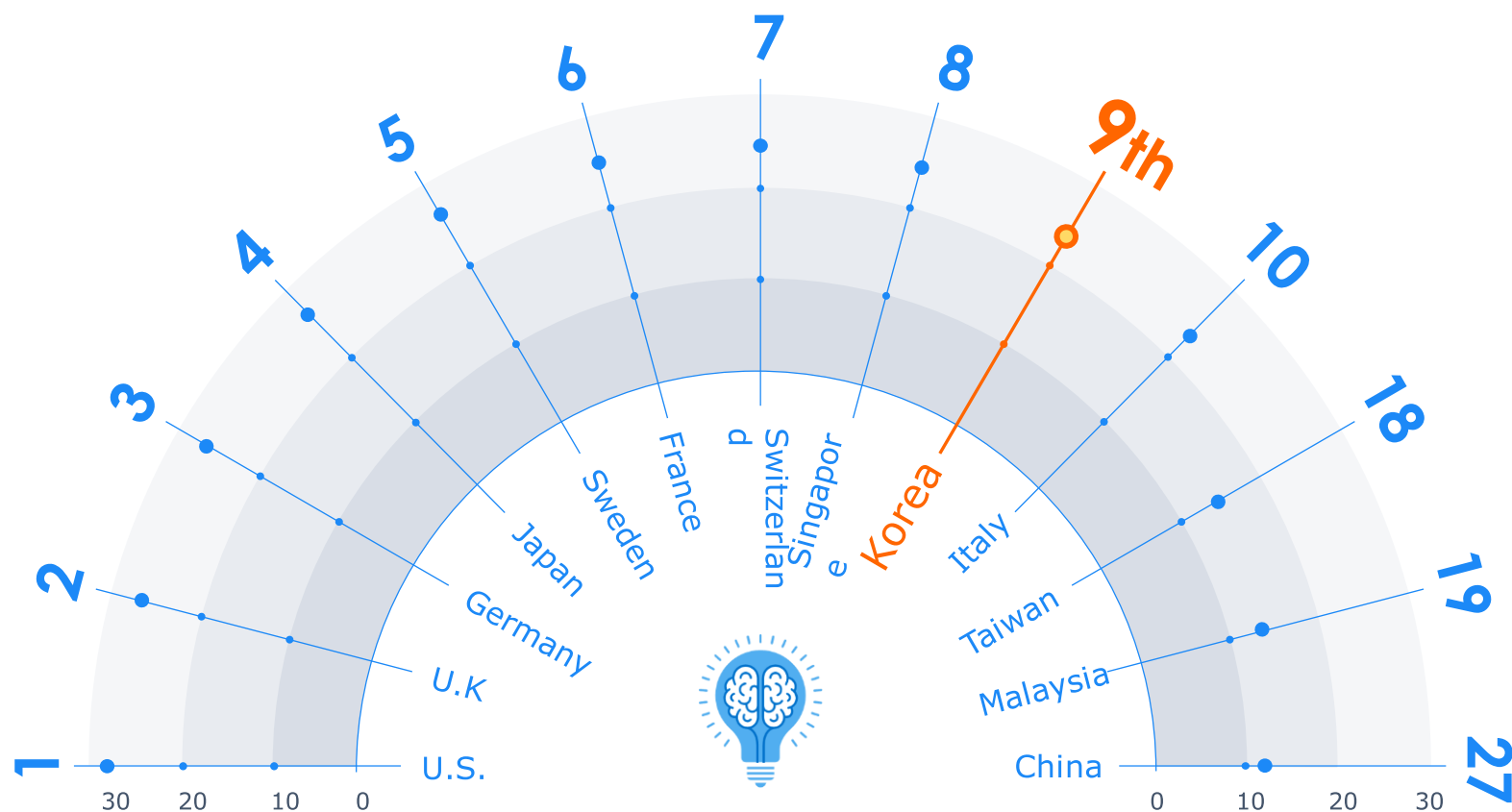
## Korea's Industrial Property Right Pendancy Period ('15)



\*Source: Korean Intellectual Property Office(2016) "2015 Intellectual Property White Paper"

# Intellectual Property

International IP Index ('16)



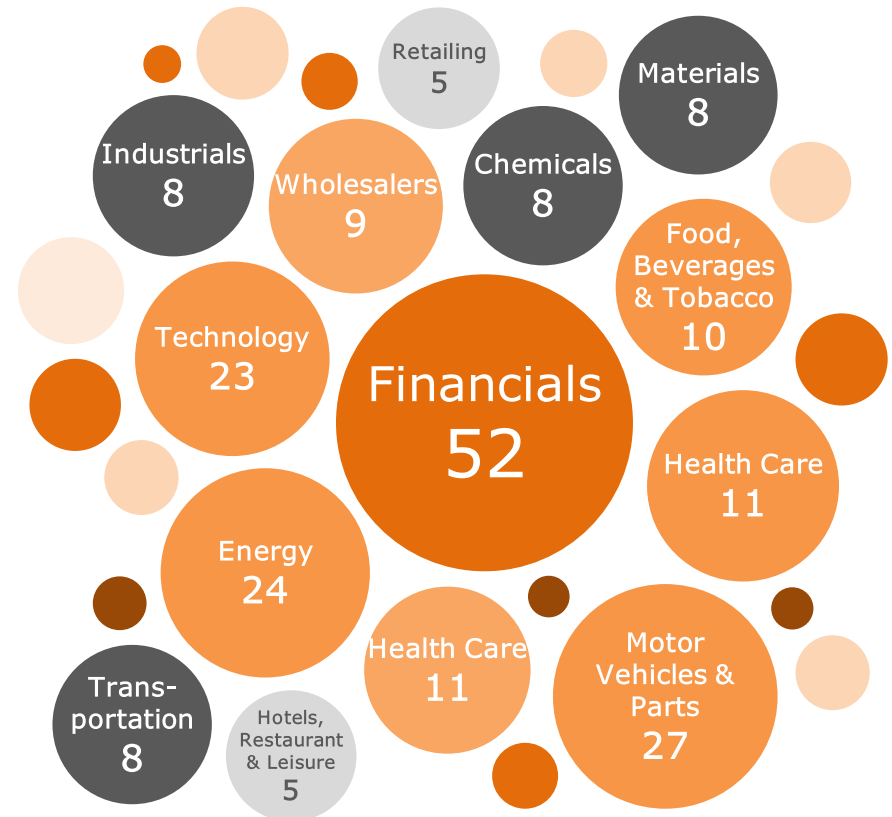
\*Source: Global Intellectual Property Center(February 2017)

# Foreign-Invested Companies in Korea

223 of 500 companies  
invested in Korea



Major Industries



\* Source: Fortune, Invest KOREA(2015)



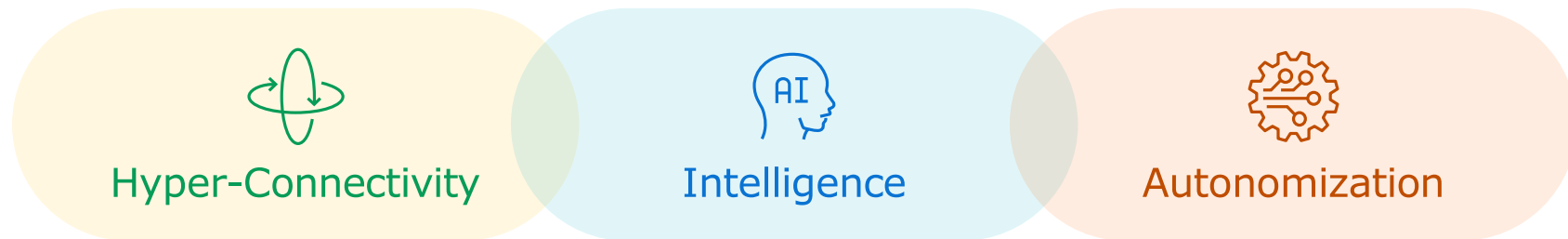


# THE FOURTH INDUSTRIAL REVOLUTION, KOREAN BUSINESS COOPERATION OPPORTUNITY

III

# Background

Key words of the future industry :



'Smart Manufacturing' - Convergence of manufacturing-service, etc. industries

- M&A is actively utilized to overcome limitations of 'organic growth', and diversify and acquire business and new technology

<Number of business combinations, amount and proportion of large enterprises / non-affiliates>

	Affiliates		Non-Affiliated Companies		Total	
	No.	amount	No.	amount	No.	Amount
'16 the first half	26	0.4	33	6.4	59	6.8
'17 the first half	18	4.9	27	10.4	45	15.3

(Unit: case, trillion won)

## Global Cooperation Cases by Major Sectors

# Manufacturing

## CASE 1

Collaborate with other areas such as sharing, mobility, apps, and AI



Volkswagen



AI

powermat

Battery



App-based  
service



car sharing

## CASE 2

Technology convergence (ICT, Network, etc.)





## Global Cooperation Cases by Major Sectors

# Service

CASE

1

IT-pharmaceutical convergence

  
a Novartis company

Medical Devices Development

CASE

2

Distribution-IT Convergence



LOTTE SHOPPING









O4O (On-line for Off-line) Strategies

# Investment plans of Korean conglomerates by new industries

Korean conglomerates are actively seeking to enter other industries through merging of heterogeneous industries to overcome the stagnation of the main traditional industries.

<Investment Plans in New Industries>

Company	Period	Investment	Fields
 <b>LG</b>	1	19	Display, petrochemical
 <b>HYUNDAI</b>	5	23	Smart car, AI, energy, start-ups
 <b>SK</b>	3	80	Semiconductor, IT, autonomous car, bio, social enterprises
 <b>SHINSEGAE</b>	3	9	AI, complex shopping mall, duty-free shop
 <b>SAMSUNG</b>	3	180	Semiconductor, AI, 5G, automotive electronics, bio
 <b>Hanwha</b>	5	22	petrochemicals, aircraft parts, defense, solar energy

(Unit: case, trillion won)

Status and business opportunities related to new industries

# 1 Electric car, Autonomous car



**electrive.com**  
industry service for electric mobility

News

Events

Study Guide

Automobile Utility Vehicles Energy & Infrastructure Battery & Fuel Cell Fleets Politics Two-W

Battery & Fuel Cell >

Feb 27, 2019 - 02:48 pm

## Hungary: SK Innovation to build second battery factory

BATTERIES BATTERY CELLS BATTERY PRODUCTION HUNGARY KOMAROM SK INNOVATION SUPPLIERS



The South Korean manufacturer SK Innovation is building another factory for battery cells in Hungary. The new facility will take place in March this year in Komárom, Hungary, its first Hungarian battery factory a year ago.

The new factory is to be completed in 2020. SK Innovation has yet provided any information on the plan for the factory, but the investments, which will amount to 850 million euros, are expected to create 1,000 jobs.

### POSCO ICT to establish electric vehicle charging infra in Costa Rica

Dec. 06, 2016

zoom in + zoom out -

List

Discusses business plans such as large-scale ESS, power demand response and energy efficiency

POSCO ICT has hit its stride in entering the smart energy market including the electric vehicle (EV) charging infrastructure in Costa Rica in cooperation with its government.



POSCO ICT discussed the plans for smart energy business at

## Samsung Electronics Completes Acquisition of HARMAN

Korea on March 11, 2017

Audio Share

Samsung Electronics today announced it has completed the previously announced acquisition of Harman International Industries, Incorporated ("HARMAN"). Under the terms of the merger agreement, HARMAN stockholders will receive \$112.00 per share in cash. The completion follows the satisfaction of all conditions to the closing of the transaction, including approval of the transaction by HARMAN stockholders and receipt of all necessary regulatory approvals in the United States and certain foreign jurisdictions.

Status and business opportunities related to new industries

## 2 Smart Ship

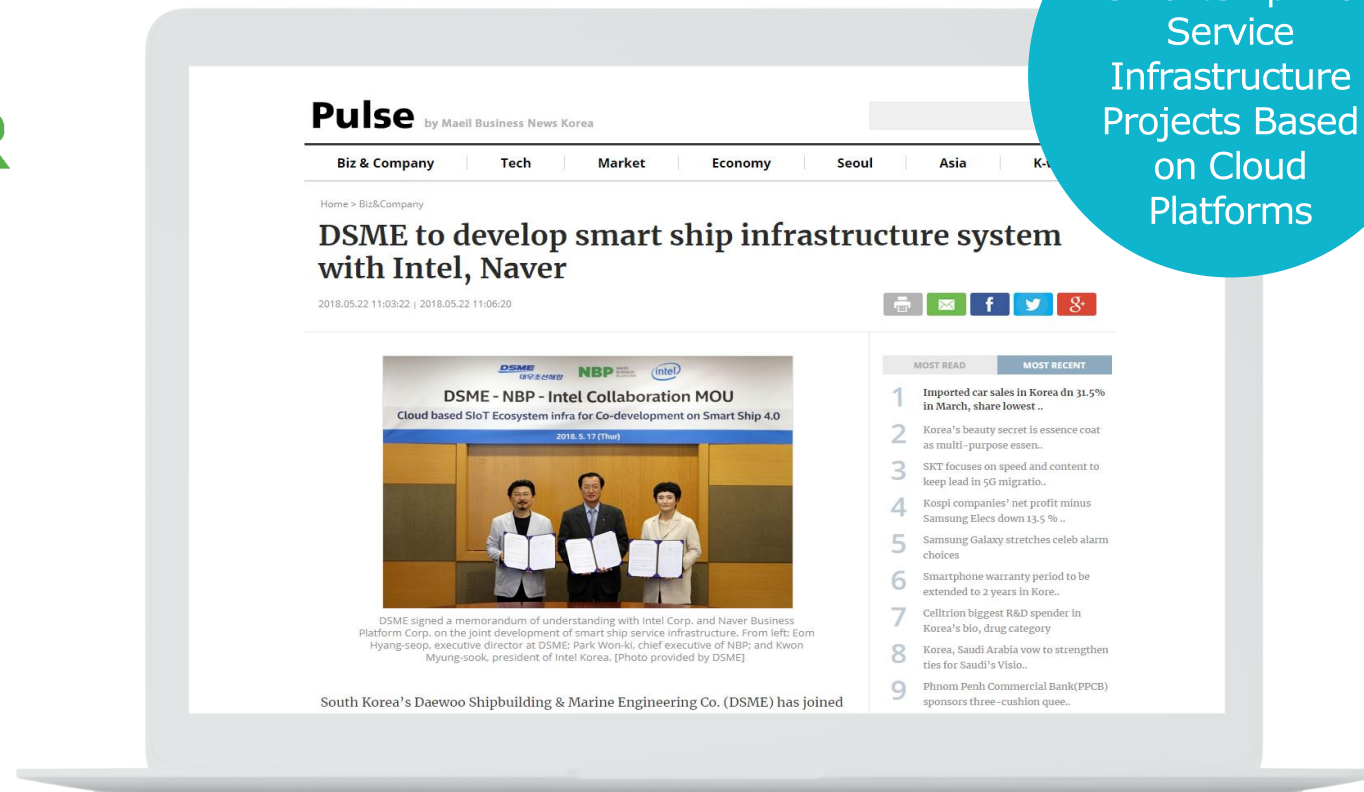
IMO's legislation of the next-generation electronic navigation system has created a new market of KRW 1,200 trillion, of which 20% is expected to be occupied by Korea

'18. 5  
SmartShip 4.0  
Service  
Infrastructure  
Projects Based  
on Cloud  
Platforms

NAVER



DSME



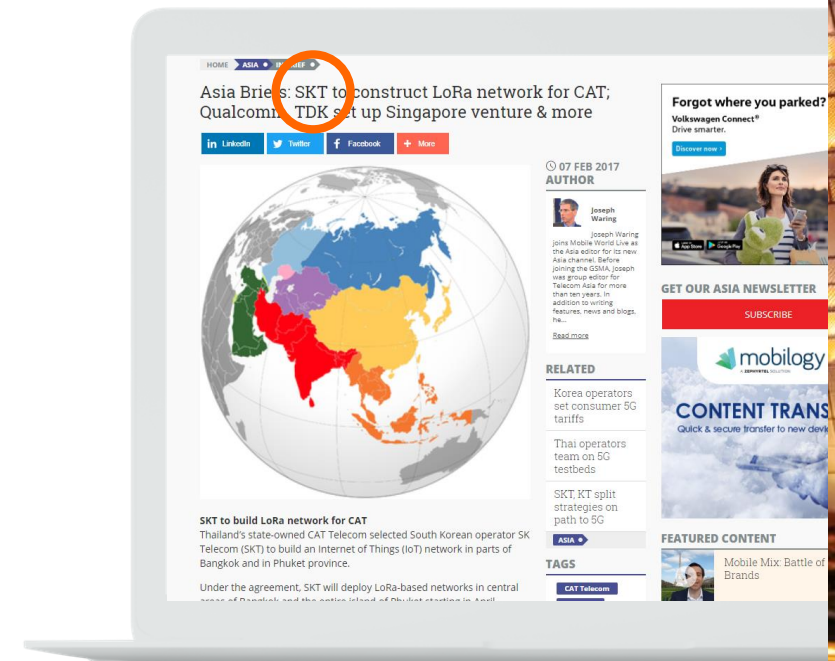
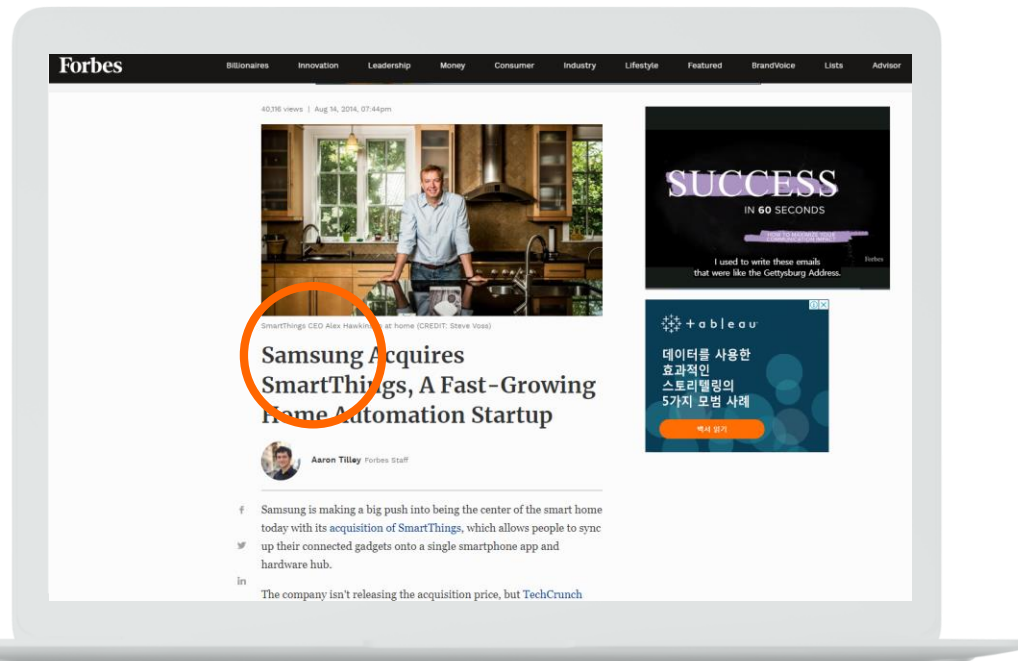


Status and business opportunities related to new industries

### 3 IOT Consumer Electronics

The IOT market is expected to grow significantly in hardware and related services and software

▶▶ Signing cooperation MOUs, increase collaboration among various industries



Status and business opportunities related to new industries

## 4 Semiconductors

Samsung Electronics announces 'Semiconductor Vision 2030' strategy aiming to be the first in system semiconductor and foundry (Apr 24, 2014)

- ▶▶ By 2030, 133 trillion won will be invested in R&D and production facilities in the system LSI business and foundry sector.



Samsung's LSI & Foundry Investment Plan

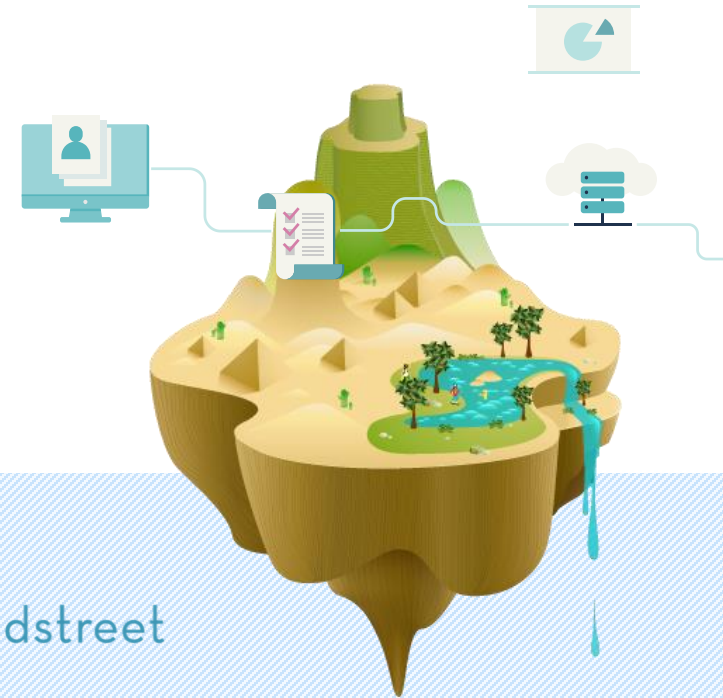
	Investments Per Year	Investments Through 2030
R&D	~\$ 5.28 billion	~\$ 63.4 billion
Production Infrastructure	~\$ 4.34 billion	~\$ 52.1 billion
Total	~\$ 9.51 billion	~\$ 115 billion
Note :	Samsung reports its investment plans in KRW, we convert numbers to USD.	

# What is OASIS ?

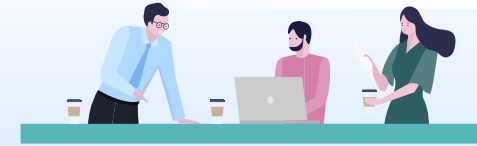
## OASIS

OASIS refers to Overseas Advanced Parts & Materials Search and Information System.

This interactive **information system** was created by the Korea Core Industrial Technology Investment Association (KITIA) and other professionals for international cooperation searching & using information on Korean companies



# OASIS at a closer Look



## General

Company name, establishment date, CEO, business type, Industry classification, capital, listing status, location, No. of employees, business registration number, contact info, and homepage

## Finance

Sales, operating profit, net profit during the term, total assets, total debt, etc.

## Business

major customers, purchasers, distributors, market share, overseas market status, business field, main product, product code, product features, technology, company characteristics, patent, etc.

## Investment

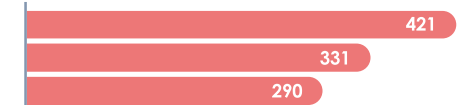
Facility investment, R&D investment, investment plan, demand for global cooperation, countries wishing to cooperate, purpose of investment attraction, etc.

## OASIS DB Coverage

Sortation	Korean		Overseas			total
	Domestic (R&D)	Foreign-invested	Japan	Germany	US	
No.	2,942 (510)	3,747	1,855	1,842	1,000	11,896



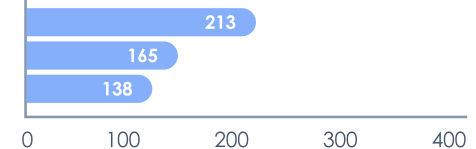
electric  
Mechanical equipment  
Chemical



nonmetallic minerals  
Electronic/optics  
Mechanical equipment



nonmetallic minerals  
Chemical  
auto





An aerial night view of a city, likely Seoul, showing a dense cluster of modern skyscrapers with illuminated windows. A multi-lane highway with heavy traffic, including cars and trucks, runs through the center of the frame. The sky is a deep blue, and the overall scene is lit up by the city's lights.

THANK YOU